

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298**FILED**  
8-31-15  
01:58 PM**August 31, 2015****Agenda ID #14251**  
**Ratesetting****TO PARTIES OF RECORD IN RULEMAKING 13-09-011**

This is the proposed decision of Administrative Law Judge Hymes. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's October 1, 2015 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties to the proceeding may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

Comments must be filed, pursuant to Rule 1.13, either electronically or in hard copy. Comments should be served on parties to this proceeding in accordance with Rules 1.9 and 1.10. Electronic and hard copies of comments should be sent to ALJ Hymes at [khy@cpuc.ca.gov](mailto:khy@cpuc.ca.gov) and to the Intervenor Compensation Program at [icompcordinator@cpuc.ca.gov](mailto:icompcordinator@cpuc.ca.gov). The current service list for this proceeding is available on the Commission's website at [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

/s/ KAREN V. CLOPTONKaren V. Clopton, Chief  
Administrative Law JudgeKVC: avs  
Attachment

Decision **PROPOSED DECISION OF ALJ HYMES** (Mailed 8/31/2015)**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Enhance  
the Role of Demand Response in Meeting  
the State's Resource Planning Needs and  
Operational Requirements.

Rulemaking 13-09-011  
(Filed September 19, 2013)

**DECISION AWARDING INTERVENOR COMPENSATION TO  
CONSUMER FEDERATION OF CALIFORNIA FOR SUBSTANTIAL  
CONTRIBUTION TO DECISION(S) (D.) 14-01-004, D.14-03-026,  
D.14-05-018, D.14-12-024, D.14-05-025, D.14-12-024, D.15-02-007**

<b>Intervenor: Consumer Federation of California</b>	<b>For contribution to Decision(s) (D.) 14-01-004, D.14-03-026, D.14-05-018, D.14-12-024, D.14-05-025, D.14-12-024, D.15-02-007.</b>
<b>Claimed: \$182,050.00</b>	<b>Awarded: \$85,335.20 (~53.13% reduction)</b>
<b>Assigned Commissioner: Michel Peter Florio</b>	<b>Assigned ALJ: Kelly A. Hymes</b>

**PART I: PROCEDURAL ISSUES**

<p><b>A. Brief description of Decision(s):</b></p>	<p>In D.14-01-004, <i>Decision Approving Two-Year Bridge Funding for Demand Response Programs</i>, date of issuance, January 24, 2014, the Commission approved bridge funding for 2015-2016 demand response programs operated by Pacific Gas and Electric Company, San Diego Gas &amp; Electric Company, and Southern California Edison Company.</p> <p>In D.14-03-26, <i>Decision Addressing Foundational Issues of the Bifurcation of Demand Response Programs</i>, date of issuance, April, 04, 2014, the Commission “conceptually” bifurcated Commission-regulated demand response portfolio programs into two categories: 1) load modifying resources, which reshape or reduce the net load curve and 2) supply resources, which are integrated into the California Independent System Operator (CAISO) energy markets.</p> <p>In D.14-05-018, <i>Order Correcting Error</i>, date of issuance, May, 13, 2014, the Commission corrected an error.</p> <p>In D.14-05-025, <i>Decision Approving Demand Response Program Improvements and 2015-2016 Bridge Funding Budget</i>, date of issuance May 05, 2014, the Commission approved Pacific Gas and Electric Company, San Diego Gas &amp; Electric Company and Southern California Edison Company’s demand response programs for 2015 and 2016.</p> <p>In D.14-12-024, <i>Decision Resolving Several Phase Two Issues and Addressing the Motion for Adoption of Agreement on Phase Three Issues</i>, date of issuance, December 09, 2014, the Commission adopted interim “policies” and “guidelines” to enhance the role of demand response in meeting California’s electric resource planning needs and operational requirements. The Commission adopted most, but not all, of the terms of the settlement agreement and established three main demand response working groups.</p> <p>In D.15-02-007, <i>Decision Modifying Decision 14-12-024</i>, date of issuance, February 13, 2015. The Commission modified Decision 14-12-024.</p>
--	---

**B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:**

	<b>Intervenor</b>	<b>CPUC Verified</b>
<b>Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):</b>		
1. Date of Prehearing Conference (PHC)	October 24, 2013	Verified.
2. Other specified date for NOI:	N/A	
3. Date NOI filed:	November 21, 2013	November 22, 2013
4. Was the NOI timely filed?		Yes, Consumer Federation of California (CFC) timely filed the notice of intent to claim intervenor compensation.
<b>Showing of customer or customer-related status (§ 1802(b)):</b>		
5. Based on ALJ ruling issued in proceeding number:	R.13.02.008	Verified.
6. Date of ALJ ruling:	October 25, 2013	Verified.
7. Based on another CPUC determination (specify):	N/A	
8. Has the Intervenor demonstrated customer or customer-related status?		Yes, CFC demonstrated appropriate customer-related status.
<b>Showing of “significant financial hardship” (§ 1802(g)):</b>		
9. Based on ALJ ruling issued in proceeding number:	R.13.02.008	Verified.
10. Date of ALJ ruling:	October 25, 2013	Verified.
11. Based on another CPUC determination (specify):	N/A	
12. Has the Intervenor demonstrated significant financial hardship?		Yes, CFC demonstrated significant financial hardship.

<b>Timely request for compensation (§ 1804(c)):</b>		
13. Identify Final Decision:	Decision 15-02-007, <i>Decision Modifying Decision 14-12-024.</i>	Verified.
14. Date of issuance of Final Order or Decision:	February 13, 2015	Verified.
15. File date of compensation request:	March 6, 2015	Verified (amended filing on March 10, 2015).
16. Was the request for compensation timely?	Yes, CFC timely filed the request for compensation.	

**C. Additional Comments on Part I (use line reference # as appropriate):**

#	Intervenor's Comment(s)	CPUC Discussion
1	CFC relies here on the rebuttable presumption of significant financial hardship and customer status awarded to CFC, by the CPUC, in the finding made in R.13.02.008, on October 25, 2013, establishing the rebuttable presumption that CFC has been granted, by the CPUC, of a finding of both financial hardship and customer status.	Verified.

**PART II: SUBSTANTIAL CONTRIBUTION**

**A. Did the Intervenor substantially contribute to the final decision (see § 1802(i), § 1803(a), and D.98-04-059). (For each contribution, support with specific reference to the record.)**

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
<b>1. Issue: Bridge Funding General (Phase One)</b>  In its <i>Response to Questions from Order Instituting Ratemaking</i> (October 21, 2013), at pages 3 and 4, CFC advised the Commission, that even though funding for the programs for 2015 and 2016 had been tentatively approved, the actual amount of funding had yet to be determined. CFC argued, strongly,	<i>CFC Response to Questions from Order Instituting Ratemaking</i> (October 21, 2013), pages 3 and 4.	Verified, although CFC's focus on pilot programs, as listed in the claimed contribution, was excessive in light of the both the issue covered and CFC's contribution to the proceeding.

<p>that the Commission should scrutinize the pilot programs, with a very critical eye toward funding. CFC pointed out that many, many pilot programs had been conducted before the advent of this matter, at great expense to California electricity consumers.</p> <p>CFC argued that there were many pilot programs, dating back many years and that many millions of dollars were spent on DR pilot programs. CFC also pointed out that California electricity consumers and taxpayers, rather than IOU shareholders, paid for these pilots.</p> <p>In a very general sense, regarding bridge funding, CFC was concerned about throwing “good money after bad.” Our concerns regarding the millions in ratepayers’ dollars being used to fund these pilots and programs were only heightened by the results as reported in the May 1, 2013 Energy Division report, cited in the OIR. As pointed out by the Commission in the OIR, the results relating to the programs monitored in 2012, were somewhat lackluster.</p> <p>CFC again stated that even though the funding for the programs for 2015 and 2016 had been tentatively approved, the actual amount of funding had yet to be determined. As such, CFC argued, a close look at <i>previously approved funding</i> should be a major focus in this case. CFC argued restraint in the funding of these new pilots.</p>	<p><i>Consumer Federation of California Reply to Phase Two Foundational Questions</i>, (dated December 31, 2013, page 7.</p> <p><i>Consumer Federation of California Response to Questions From Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State’s Resource Planning Needs and Operational Requirements</i>, dated October 21, 2014, page 4.</p> <p><i>Consumer Federation of California Reply to Phase Two Foundational Questions</i>, (dated December 31, 2013, page 7.</p>	
<p><b>2. Cost to Consumers Associated with Pilot Programs</b></p>		<p>Verified, although CFC’s focus on pilot programs, as listed in</p>

<p>As stated above, CFC argued that there were many pilot programs, dating back many years and that many millions of ratepayer dollars had already been spent on pilots.</p> <p>Again, in reference to pilot programs, CFC asked the Commission to consider whether the state's electricity consumers should, through payment of electricity bills, fund another round of pilots, when previous pilots have been costly and produced questionable results.</p> <p>From the earliest stages of this proceeding CFC argued that the Commission take a very critical look at pilots, in terms of past performance and in terms of, specifically, ratepayer money spent to fund these pilots.</p> <p>As such, CFC applauded the Commission when it decided to make a much more critical assessment of future pilot programs than it had in the past.</p> <p>As advocated by CFC, in D.1405025 <i>Approves Demand Response Program Improvements and 2015-2016 Bridge Funding Budget</i>, the Commission took a much more critical look at proposed pilot programs than it had in previous, similar matters.</p> <p>Also, In D.1405025 <i>Approves</i></p>	<p>See <i>Consumer Federation of California Reply to Phase Two Foundational Questions Question Responses</i> (December 31, 2013), pages 7 and 8.</p> <p><i>Consumer Federation of California Reply Comments Relating to the Proposed Decision Approving Demand Response Program Improvements and 2015-2016 Bridge Funding Requirements</i> (April 15, 2014), page 3.</p> <p><i>Consumer Federation of California Response to Questions from OIR to Enhance the Role of Demand Response in meeting the State's Resource Planning Needs and Operation Requirements</i> (October, 21, 2013, pages 3 and 4, critical of continuing pilots, without improvements (especially improvements in reporting.)</p> <p>D.1405025 (May 15, 2014), page 22.</p> <p>D.1405025 <i>Approves Demand</i></p>	<p>the claimed contribution, was excessive in light of the both the issue covered and CFC's contribution to the proceeding.</p>
--	---	---

<p><i>Demand Response Program Improvements and 2015-2016 Bridge Funding Budget</i>, the Commission approved, in general, further ratepayer funded pilots, but limited that funding to the 2015-2016 bridge funding budget. This was in keeping with the CFC position.</p> <p>We would also note that, in taking a more critical approach at the urging of CFC, the Commission identified at least one pilot as “duplicative.” Though the pilots were allowed to continue, the Commission, in keeping with arguments propounded by CFC, specifically questioned the efficacy of continued programs.</p>	<p><i>Response Program Improvements and 2015-2016 Bridge Funding Budget</i> (May 15, 2014), page 20.</p> <p>D.1405025, <i>Approves Demand Response Program Improvements and 2015-2016 Bridge Funding Budget</i> (May 15, 2014), page 11.</p>	
--	--	--

<p><b>4. Bifurcation</b></p> <p>CFC generally supported bifurcation and was cited for doing so.</p> <p>CFC supported bifurcation in terms of improving resource adequacy and planning, as well as for improving administrative efficiencies.</p> <p>CFC did not object to the use of the terms “supply-side” and “demand-side” to categorize the various types of DR resources. However, CFC</p>	<p>In its <i>Response to Questions set forth in the Order Instituting Ratemaking</i> (October 21, 2013), page 3. In D.1403026, <i>Addresses Foundational Issues of the Bifurcation of Demand Response Programs</i>. (March 27, 2014), at page 12, fn. 27, the commission cited CFC’s <i>Response to Questions from Order Instituting Ratemaking</i> (October 21, 2013) page 3 as supportive of bifurcation in general.</p> <p>Also in its <i>Response to Questions set forth in the Order Instituting Ratemaking</i> (October 21, 2013), page 3. In</p>	<p>Verified, but we note CFC put forth arguments that were duplicative of other parties on this issue. This demonstrates that the parties failed to adequately coordinate on this issue, which resulted in a duplicative effort.<sup>1</sup></p>
--	---	--

<sup>1</sup> See Pub. Util. Code §1801.3(f) (stating that intervenor compensation program articles “shall be administered in a manner that avoids unproductive or unnecessary participation that duplicates the participation of similar interests otherwise adequately represented or participation that is not necessary for a fair determination of the proceeding.”); see also Decision (D.) 15-05-016.





<p><i>Agreement on Phase Three Issues</i>, Issue Date December 9, 2014, the Commission ruled that, “The major difference between party positions [regarding allocation] arises when determining the extent to which a customer is benefitted and therefore the extent to which a customer should pay for that benefit.”</p> <p>In D1412024, <i>Decision Resolving Several Phase Two Issues and Addressing the Motion for Adoption of Settlement Agreement in Phase Three Issues</i>, dated December 9, 2014, also reflected CFC’s concerns regarding benefits and who pays for them. The Commission held any demand response program or tariff, including a pilot that is available to all customers shall be paid for by all customers and therefore allocated to distribution rates is reasonable. However, if a program or tariff is only available to bundled customers, that program’s costs should only be recognized in generation rates, that is, only those taking advantage of a program or those who have the ability to take advantage of a program should be responsible for the program’s costs. This is in keeping with the position taken by CFC.</p>	<p>D.14-12-024. See discussion starting at page 43.</p>	
<p><b>6. Back-up Generators (BUGs).</b></p> <p>On BUGs, CFC stated that the CPUC has established, as provided in D.0501056, that back-up generation is not a true demand response resource.</p> <p>CFC also argued, “. . . trying to shoehorn back-up generation into the DR construct as being the same as</p>	<p><i>CFC Response to Phase Two Foundational Questions</i> (December 13, 2013), page 7.</p> <p><i>Consumer Federation of California Reply To Briefs on Unresolved Phase 2 and 3</i></p>	<p>Verified, but we note CFC put forth arguments that were duplicative of other parties on this issue. This demonstrates that the parties failed to adequately coordinate on this issue, which resulted in a duplicative effort. <i>See</i> fn. 1, above.</p>

<p>actual curtailment DR, is very much <i>not</i> in keeping with the Commission's Energy Action Plan. For this reason alone back up generation should not be recognized as a true DR resource and should be regulated accordingly."</p> <p>The Commission clearly agreed with CFC's arguments relating to BUGs. D.14-12-024, <i>Decision Resolving Several Phase Two Issues and Addressing the Motion for Adoption of Settlement Agreement on Phase Three Issues</i>, date of issuance, December 12, 2014, the Commission stated, "This decision confirms a policy statement that the use of back-up generation in demand response programs is antithetical to the Energy Action Plan and the Loading Order."</p>	<p><i>Issues</i>, (September 8, 2014), page 4.</p> <p>D.14-12-024, at page 50.</p>	
<p><b>7. Settlement</b></p> <p>Evidentiary hearings were scheduled to commence on June 9, 2013, and CFC reserved time for cross-examination, and was prepared for and ready to conduct cross-examination of witnesses. CFC expended valuable time and resources in preparation for the evidentiary hearing.</p> <p>On June 9, 2014, the evidentiary hearings scheduled for the week of June 9, 2014 was vacated and replaced with a brief hearing. The ALJ then ruled in favor of workshops and two and a half days of workshops commenced.</p> <p>More settlement workshops were held throughout June and July.</p>	<p>CFC would like very much to cite to a specific point in the record where the ALJ specifically rules that ongoing workshops would be more productive and efficient than weeks of evidentiary hearings. While CFC is in possession of the June 9, 2014 and June 12, 2014 transcripts, it is difficult to pinpoint where this ruling regarding workshops is actually made, on the record. We would comment that there were significant "off the record" conversations during this hearing. That said, we would direct staff to RT, June 12, 2014, at page 53.</p>	<p>Verified.</p>

During a prehearing conference on July 30, 2014, “settling parties” reported settlement had been reached and was in the process of being finalized.	CFC was an active participant in workshops, and meetings, pertaining to settlement.	
---	---	--

**B. Duplication of Effort (§ 1801.3(f) and § 1802.5):**

	<b>Intervenor’s Assertion</b>	<b>CPUC Discussion</b>
<b>a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?<sup>2</sup></b>	<b>Yes.</b>	Verified.
<b>b. Were there other parties to the proceeding with positions similar to yours?</b>	<b>Yes.</b>	Verified.
<b>c. If so, provide name of other parties: TURN</b>		Yes.
<p><b>d. Intervenor’s claim of non-duplication:</b> CFC took positions in this matter that reflect its consumer protection mission. While the IOUs and other entities with business interests in the various aspect of demand response were more concerned with the costs and expenses relating to profit and loss, CFC steadfastly fought for consumers.</p> <p>From its first contribution in this matter CFC made it clear – and was unique in arguing - that any benefits that flow from the various permutations of demand response must be shared with those who are providing the demand response resources, namely, California electricity consumers.</p> <p>CFC was almost unique - in this case - in its emphasis on benefits flowing back to consumers.</p> <p>CFC communicated with TURN on several occasions to discuss strategy and positions taken. Non-duplication was also discussed.</p> <p>The specific concerns of CFC and TURN were sufficiently divergent that there was very little overlap in positions taken on the issues. In some cases</p>		<p>Verified.</p> <p>As discussed, above, hours claimed related to BUGs and Bifurcation were duplicative. Hours claimed in these areas are reduced by 30%.</p>

<sup>2</sup> The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.

<p>the positions taken by TURN and CFC were at odds.</p> <p>CFC has been able to identify only one other party to this case whose main focus is on that of consumers. That party is TURN. That there were only two parties concentrating mostly on consumers, duplication of effort was minimized.</p>	
--	--

### **PART III: REASONABLENESS OF REQUESTED COMPENSATION**

#### **A. General Claim of Reasonableness (§ 1801 and § 1806):**

<p>In this section we attempt to show how the costs of CFC’s participation bear a reasonable relationship to the benefits realized through participation.</p> <p>Initially, please see boxes 1 through 6 in Part II, subsection a., for a detailed description of arguments made and positions taken by CFC and our notations as to the Commission decisions made in accord with CFC arguments and positions.</p> <p>CFC was one of two <i>bone fide</i> consumer protection organizations involved in this matter. This is not to discount the contributions of environmental groups, solar groups, or other parties with business interests relating to the subject matter of this hearing. However, CFC believes that CFC was one of two parties involved in this matter that argued the Commission should focus on the actual benefit reaped by California electricity consumers. These California electricity consumers are the very people who will provide the “demand response resources” that will be bid into the CAISO energy markets, among other things. CFC argued that simple fairness dictates that end users derive a benefit from their conservation and CFC focused on this issue throughout this proceeding.</p> <p>CFC has been, and will remain, one of the strongest voices in this matter in terms of who is going to be “on the hook” for the costs of future DR pilot programs. CFC argued that only those who might benefit from a proposed pilot, or actual DR program, should pay for the implementation of these programs.</p> <p>CFC was also the loudest consumer protection voice in arguing against fixed monthly fees. CFC pointed out that fixed monthly fees have a substantially unfair impact on California citizens in lower economic brackets and that no amount of conservation is going to impact a fixed monthly fee, which, in and of itself, is the antithesis of California’s stated energy goals.</p>	<p><b><u>CPUC Discussion</u></b></p> <p>Verified.</p>
<p>b. Reasonableness of hours claimed:</p> <p>This is one of the first Requests for Compensation in which CFC seeks an hourly rate for substantive work performed by Mr. Hilla in 2013, 2014 and 2015.</p>	<p>Verified, but see CPUC Disallowances and Adjustments, below.</p>

<p>Donald P. Hilla has been licensed to practice law in the state of California since 1990. From 1990 through 2013 Mr. Hilla was a regulatory attorney, eventually named Senior Litigation Counsel, at the California Department of Insurance. Mr. Hilla was the first to be designated with this title at the California Department of Insurance. Mr. Hilla specialized in insurance ratemaking and other complex insurance matters. Mr. Hilla has extensive experience working with expert witnesses, such as insurance rate analysts, insurance actuaries and economists. Mr. Hilla has represented clients in state and federal court. Mr. Hilla has spent an untold number of hours in evidentiary, administrative hearings, in courts of law, in rulemaking matters, and in various public hearings covering numerous subjects. Mr. Hilla is also very experienced in community education and outreach.</p> <p>CFC was very conservative in recording hours in this case. On many occasions a white paper or study referred to, or a cited in the numerous documents generated in this case, would lead CFC counsel into vast areas of research and reports. This was done in order to master the subject matter, which in turn is required if CFC is to add value to these various matters. However, we were very conservative in claiming hours relating to our research.</p> <p>As an example, we would point to the work of Dr. Ahmad Faruqi, PH. D. Dr. Faruqi is the author of a huge body of material relating to future energy. He is the author (with others at times) of numerous studies and “white papers” which are, by many, considered “industry standard” or “state of the art.” The studies and white papers written by Dr. Faruqi are, in our experience, the most informative, general works, addressing these new energy issues. At the same time they are dense, complex and require long hours of focused concentration. CFC has, in terms of this matter specifically, made a conscience decision to refrain from requesting compensation relating to most – but not all - of the general research which was engaged in while this matter was pending.</p> <p>Mr. Hilla has extensive experience testifying in front of government bodies, drafting of regulations and legislation, analysis of regulations and legislation, and extensive experience in government communication.</p> <p>As regards rates and ratemaking, as described, Mr. Hilla has approximately 25 years’ experience in the regulation of large California corporations. As to rates, Mr. Hilla was on the team that implemented Proposition 103, the insurance rate reform initiative, instituting generic ratemaking in California.</p> <p>The law requires the CPUC to “take into consideration the market rates paid to persons of comparable training and experience who offer similar</p>	<p>CFC’s submitted records do not claim any hours for Dr. Faruqi.</p> <p>While Mr. Hilla has extensive experience with insurance law, as evidenced by the timesheets submitted to the Commission, Hilla has little experience with Commission’s practice areas. Hilla spent numerous</p>
---	--

<p>services. The compensation awarded is not to exceed the comparable market rate for services paid by the commission or a public utility, whichever is greater, to persons of comparable training and experience who are offering similar services.”</p> <p>If the CPUC takes Mr. Hilla’s experience into consideration, Mr. Hilla would almost certainly be categorized as a senior level litigator deserving of the going market rate for an attorney, working in San Francisco, with the same level of experience.</p> <p>Today, in the City and County of San Francisco, the going market rate for a person with Mr. Hilla’s skill set and experience hovers between \$750 and \$1000 an hour.</p> <p>However, pursuant to CPUC Resolution, ALJ-303, Administrative Law Judge Division, Issue Date, December 4, 2014 (which CFC believes to be the most recent of these ongoing resolutions) the rate set for people of Mr. Hilla’s experience is \$320-\$570 per hour. Again, in an effort to remain conservative in our estimations, CFC requests Mr. Hilla’s compensation to be set at \$360 per hour for work in 2013.</p> <p>CFC requests Mr. Hilla’s 2014 compensation be set at \$370 per hour reflecting a COLA of 2.58% increase for 2014.</p>	<p>hours researching and reviewing background information in order to get “up to speed” with the concepts of the Proceeding. For example, on October 10, 2013 Hilla claimed 7 hours to “research demand response / terms references [sic.] in OIR demand response as a concept.” Such work is not indicative of the rate requested by Hilla. Based on the cumulative legal experience of Hilla, and experience before the Commission, we set Hilla’s 2013 rate at \$320 and the 2014 and 2015 rates at \$330.</p>
<p><b>c. Allocation of hours by issue:</b></p> <p>CFC has categorized the time spent on this matter hours into “activities” And “issues.”</p> <p><b>Activities:</b></p> <p>GP: General Preparation for hearing</p> <p>GH: General Hearing</p> <p><b>Issues by Percentage:</b></p> <p>GP: 12.29%</p> <p>VAL: Valuation 0.63%</p> <p>CED: Consumer Education and Outreach. (This was an issue early on</p>	<p>Verified.</p> <p>As discussed, above, hours claimed related to BUGs and Bifurcation were duplicative. Hours claimed in these areas are reduced by 30%.</p>

<p>in the proceeding but was dropped as an issue.) 0 %</p> <p>BRF: Bridge Funding 2.24%</p> <p>BUGs: Back-up Generation or Back-up Generators 1.48%</p> <p>BIF: Bifurcation 7.95%</p> <p>CAL: Cost Allocation 11.35%</p> <p>PPR: Pilot Project Proposals 7.53%</p> <p>CMI: CAISO Market Integration 13.65%</p> <p>LMI: Load Modifying Issues 6.27%</p> <p>DSR: Demand Response Resources 0.52%</p> <p>SETT: Denotes settlement related activities. 24.5%</p> <p># 12.02% Please see directly below for explanation of #.</p> <p># Denotes time entries where, in a complex case like this, it becomes impossible to place an actual time value on time spent on an individual issue within that one document. Where time entries cannot reasonably be identified by issue with a specific activity code CFC uses the # designation.</p> <p>(Phase One Bridge Funding concluded in early 2014. Phases 2 and 3, which were addressed almost exclusively in 2014 which presented new issues. The number of new issues made the sheets hard to work with.</p> <p>To facilitate CPUC staff and to improve ease of use, we used separate sheets for the years 2013, 2014 and 2015.</p>	
--	--



**B. Specific Claim:\***

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate	Basis for Rate*	Total	Hours [a]	Rate	Total
Attorney Hilla	2013	165.50	\$360	See discussion under Section III	\$59,580.00	114.46 [b]	\$320.00	\$36,627.20
Attorney Hilla	2014	312.25	\$370 (with 2014 COL A adj.)	See discussion under Section III	\$115,532.50	137.60 [c]	\$330.00	\$45,408.00
Subtotal: \$175,112.50						Subtotal: \$92,117.60		
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate	Basis for Rate*	Total	Hours	Rate	Total
Hilla	2015	37.50	\$185	½ of hourly attorney rate 2014 rate of 370	\$6937.50	20.0 [d]	\$165.00	3,300.00
Subtotal: \$6,937.50						Subtotal: \$3,300.00		
TOTAL REQUEST: \$ 182,050.00						TOTAL AWARD: \$85,335.20		
<p>**We remind all Intervenors that Commission staff may audit their records related to the award and that Intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenors’s records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer’s normal hourly rate</p>								

ATTORNEY INFORMATION			
Attorney	Date Admitted to CA BAR <sup>3</sup>	Member Number	Actions Affecting Eligibility (Yes/No?) If “Yes”, attach explanation
Donald P. Hilla, Jr.	June 12, 1990	146198	NO

### C. CPUC Disallowances and Adjustments:

Item	Reason
[a]	<p>“When we direct the payment of an award that is less than the amount requested by a customer, the customer should not view the reduction as a penalty. While we wish to foster individual and group participation in our proceedings, we must balance that interest with the requirement that compensated intervention must provide value to the ratepayers that ultimately fund it. The Commission must make a judgement as to what amount of compensation is reasonable in light of the substantial contribution made by the customer. The award[] we direct herein reflect[s] that judgment, and we commend [the intervenor] for representing ratepayer interests in this proceeding.” D.00-02-044 at page 1.</p> <p>The Commission also notes that Consumer Federation of California’s award in this proceeding, despite the 47% reduction, is generous. CFC’s request was not “reasonable in light of the substantial contribution” made to the proceeding. If future claims by CFC seek similar excessive compensation, the Commission will impose further reductions to the award. It is not reasonable for California ratepayers to reimburse CFC for unproductive efforts. As the Commission has stated “[p]roductivity generally concerns the efficiency, competence, effectiveness, and reasonableness, in terms of the cost of participation” in a proceeding. <i>See Id.</i></p>
[b]	<p>A 30% reduction is applied to Hilla’s 2013 hours related to BUGs and bifurcation. This results in a disallowance of 14.54 hours.</p> <p>The Commission does not compensate attorneys for work that is clerical in nature, as such work has been factored into the established rate. The Commission disallows 6.5 hours for filing and serving documents in 2013, as such work is clerical.</p> <p>Based on the timesheets submitted, Hilla claims 48 hours for researching and writing CFC’s Responses to Phase II Foundational Questions. This Reply contains 5.5 pages of substantive material. The Commission removes 30 hours from the 2013 claim as excessive.</p>

<sup>3</sup> This information may be obtained through the State Bar of California’s website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch>.

[c]	<p>A 30% reduction is applied to Hilla's 2014 hours related to BUGs and bifurcation. This results in a disallowance of 10.65 hours.</p> <p>From December 31, 2013 until May 12, 2014 (listed as May 19, 2014 in the submitted timesheets), CFC filed two documents in the Proceeding: a notice of intent to claim intervenor compensation and reply comments. The reply comments consisted of 1.5 pages of substantive material. During this time, however, Hilla claims 93.75 hours. 17.5 hours were spent in workshops. The bulk of the remaining time consisted of reviewing documents filed by other parties. The Commission will generously allow Hilla to claim 3 hours for filing of reply comments. CFC did not substantially contribute to this portion of the proceeding and the claim is excessive. The Commission disallows 73.25 hours.</p> <p>According to filed timesheets, the only other document drafted by Hilla, in 2014, was the Reply to Briefs on Unresolved Phase 2 and 3 Issues, which consisted of 6.5 pages of substantive material. Hilla claims an appropriate amount of time related to this filing (8 hours). It is problematic, however, that CFC claims 218.75 hours between the May 12 and September 08, 2014 filings. The Commission allows the 8 hours spent on the filing, 87 hours for settlement discussions, and 33 hours for general participation and workshop participation. All other hours are removed. Hilla's numerous hours claimed reviewing emails and the other parties' filings is inefficient, did not contribute to the Commission's decisionmaking process, and constitutes excessive hours claimed by the intervenor. 90.75 hours are disallowed by the Commission.</p>
[d]	<p>CFC claims an excessive amount of hours related to intervenor compensation claim preparation. We disallow 17.5 hours of Hilla's claimed time.</p>

#### PART IV: OPPOSITIONS AND COMMENTS

**Within 30 days after service of this Claim, Commission Staff  
or any other party may file a response to the Claim (*see* § 1804(c))**

<b>A. Opposition: Did any party oppose the Claim?</b>		Yes.
Party	Reason for Opposition	CPUC Discussion
Pacific Gas and Electric Company and Southern California Edison Company	Pacific Gas and Electric and Southern California Edison Company believe that CFC's request is excessive in light of the group's lack of substantial contribution to the proceeding. CFC primarily focused on a minor issue in the proceeding, which was only partially adopted by the Commission. In addition, CFC's participation was duplicative of other parties. CFC's focus in the proceeding dealt with pilot program monitoring, an issue addressed prior to the settlement agreement. Lastly, CFC's request for compensation is unreasonable and excessive. The Utilities noted problems with the work claimed regarding the settlement.	The Commission agrees with most of the assertions of Pacific Gas and Electric and Southern California Edison Company and the Commission made appropriate disallowances for duplication, lack of substantial

		contribution, and excessive hours claimed.
<b>B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(c)(6))?</b>		No.

If not:

Party	Comment	CPUC Discussion

### **FINDINGS OF FACT**

1. Consumer Federation of California has made a substantial contribution to D.14-01-004, D.14-03-026, D.14-05-018, D.14-12-024, D.14-05-025, D.14-12-024, D.15-02-007.
2. The requested hourly rates for Consumer Federation of California's representatives, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$85,335.20.

### **CONCLUSION OF LAW**

1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.

### **ORDER**

1. Consumer Federation of California is awarded \$85,335.20.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company, San Diego Gas & Electric, and Southern California Edison Company pay Consumer Federation of California their respective shares of the award, based on their California-jurisdictional electric revenues for the 2014 calendar year, to reflect the year in which the proceeding was primarily litigated. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning May 20, 2015, the 75<sup>th</sup> day after the filing of Consumer Federation of California's request, and continuing until full payment is made.

3. The comment period for today's decision is not waived.

This decision is effective today.

Dated \_\_\_\_\_, at San Francisco, California.

## APPENDIX

## Compensation Decision Summary Information

<b>Compensation Decision:</b>		<b>Modifies Decision?</b>	No
<b>Contribution Decision(s):</b>	Decision (D.) 14-01-004, D.14-03-026, D.14-05-018, D.14-12-024, D.14-05-025, D.14-12-024, D.15-02-007		
<b>Proceeding(s):</b>	R.1309011		
<b>Author:</b>	ALJ Hymes		
<b>Payer(s):</b>	Pacific Gas and Electric Company, San Diego Gas & Electric, and Southern California Edison Company		

## Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
Consumer Federation of California	03/06/2015 (amended on 03/10/2015)	\$182,050.00	\$85,335.20	No	See CPUC Disallowances and Adjustments, above.

## Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Donald	Hilla	Attorney	CFC	\$360.00	2013	\$320.00
Donald	Hilla	Attorney	CFC	\$370.00	2014	\$330.00
Donald	Hilla	Attorney	CFC	\$370.00	2015	\$330.00

(END OF APPENDIX)